



BY ECFS

EX PARTE

October 23, 2015

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: Petition of USTelecom for Forbearance Pursuant to 47 U.S.C. § 160(c) from Obsolete ILEC Regulatory Obligations That Inhibit Deployment of Next-Generation Networks, WC Docket 14-192; Petition of Granite Telecommunications for Declaratory Ruling Regarding the Separation, Combination and Commingling of Section 271 Unbundled Network Elements, WC Docket 15-114; Technology Transitions, GN Docket 13-5; AT&T Petition to Launch a Proceeding Concerning the TDM-to-IP Transition, GN Docket No. 12-353.

Dear Ms. Dortch:

Granite Telecommunications, LLC ("Granite") provides this additional information in support of its request that the Federal Communications Commission ("Commission") deny USTA's forbearance requests pertaining to Section 271 obligations and the requirement under Section 251 to provide a 64 kbps voice channel over fiber where copper loops are retired.

As discussed in detail in the attached Declaration of Jorge DeJesus in Support of Filing of Granite Telecommunications, LLC ("DeJesus Declaration"), Granite estimates that the wholesale costs Granite would incur for lines now purchased under wholesale voice commercial agreements (also known as UNE-P replacement agreements) in the absence of the Section 271 and the 64 kbps voice channel requirements would increase by approximately one hundred fifty-nine percent (159%). These costs are derived by calculating the costs associated with a hypothetical conversion of services purchased under wholesale voice commercial agreements to resale. As noted in the DeJesus Declaration, Granite does not believe that any competitive service provider can sustain a business entirely using resold services given the relatively small margin for those services. For these reasons, Granite concludes that maintenance of the "regulatory backstop" provided by the Section 271 and 64 kbps voice channel requirements is essential to maintain the consumer benefits provided by competition through the use of wholesale voice platform services.

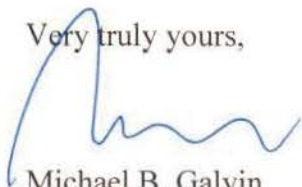
Second, to assist the Commission in its evaluation of the value of wholesale voice platform agreements and, therefore, the continued need for the Section 271 and 64 kbps voice channel requirements, Granite refers the Commission to Granite's Local Wholesale Complete Agreements and amendments filed by

AT&T with the Commission under 47 U.S.C. § 211 and with certain state PUCs.¹ Should the Commission formally request Granite to provide copies of the UNE-P replacement agreements it has entered into with several ILECs, Granite would be happy to do so subject to the confidentiality restrictions within those documents.

Lastly, although Granite has not ordered a stand-alone 64 kbps voice channel from an ILEC, Granite does rely on the regulatory backstop provided by this requirement. For a specific example, please refer to page 4 of Granite's Ex Parte Letter filed in this docket on September 22, 2015.

Please contact me if you have questions regarding this filing.

Very truly yours,



Michael B. Galvin
General Counsel

Enclosure

cc: (by email)
Matthew DelNero
Daniel Kahn
Randy Clarke
Jodie May
Clark Hedrick
Shanna Holako
Megan Capasso
Alexis Johns
Brian Hurley

Sam Kline
Paula Foley

^{1/} Certain PUCs make AT&T's filings available online. See, e.g.,
http://interchange.puc.state.tx.us/WebApp/Interchange/Documents/31595_132_815843.PDF &
http://psc.ky.gov/agencies/psc/Interconnections/Bellsouth%20Commercial%20Agreements/2014%20October/Commercial-BellSouth_Granite_Efiled_%20100714.pdf

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Petition of USTelecom for Forbearance)	WC Docket No. 14-192
Pursuant to 47 U.S.C. § 160(c))	
)	

In the Matter of)	
)	
Petition of Granite Telecommunications)	WC Docket No. 15-114
for Declaratory Ruling)	
)	

In the Matter of)	
)	
Technology Transitions)	GN Docket No. 13-5
)	
)	

In the Matter of)	
)	
AT&T Petition to Launch a Proceeding)	GN Docket No. 12-353
Concerning the TDM-to-IP Transition)	
)	
)	

**DECLARATION OF JORGE DEJESUS IN SUPPORT OF
FILING OF GRANITE TELECOMMUNICATIONS, LLC**

I, Jorge DeJesus, hereby state as follows:

1. I am Vice President of Financial Planning Analysis (FP&A) at Granite Telecommunications, LLC (“Granite”), where, among other things, I and my team engage in strategic analysis of incumbent local exchange carrier (“ILEC”) pricing.
2. I joined Granite in 2010 as a Senior Strategic Financial Analyst and have held positions of increasing responsibility in Granite’s FP&A department since then. Before joining Granite, I worked for another competitive local exchange carrier (“CLEC”) as well as an ILEC. I earned a Bachelor’s degree in Business Administration from the University of

Notre Dame in 1999. I have worked in the telecommunications industry since 2002 and have acquired substantial knowledge about pricing and competition in the industry, including thorough review of ILECs' retail and wholesale rates.

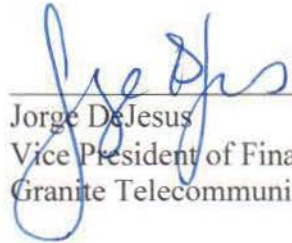
3. Granite provides business exchange lines to its retail end users primarily by purchasing services from ILECs under wholesale voice commercial agreements (also known as UNE-P replacement services agreements). These wholesale voice commercial agreements combine loop, switching and shared transport elements of the ILECs' networks to provide an end-to-end solution for Granite's customers. Resold ILEC lines are the other source of the business exchange lines provided by Granite. The resold lines are used to provide service to the same customers Granite serves using lines purchased under wholesale voice commercial agreements. Two primary examples of resold lines purchased by Granite as resale products are: (1) Centrex (which is not an offering under all of Granite's wholesale voice commercial agreements); and (2) business exchange lines in areas where wholesale voice commercial agreements are not offered (e.g., independent LEC service territories). Granite's customers require those products to serve their national or regional foot-print and to achieve the efficiencies of one-source billing and customer service from Granite. The resold lines do not yield sufficient margins to support a stand-alone business. Granite offers these services solely to meet our customers' requirements for one-stop shopping.
4. If neither wholesale voice commercial agreements nor the combination of section 251 loops with section 271 switching and shared transport were available, almost all of Granite's business lines would need to be purchased as ILEC resold lines. Granite recently submitted information to the Commission in which it stated that only fifteen percent (15%) of our customer locations were serviceable by cable providers without

construction costs.¹ At none of these locations do cable providers offer Granite a comparable wholesale voice product.

5. If Granite purchased all or mostly all business exchange lines from ILECs as resale, this would not be a sustainable business model. Specifically, if all of the lines Granite purchased under wholesale voice commercial agreements were converted to resale, Granite's wholesale costs for those lines would increase by approximately one hundred fifty-nine percent (159%).
6. I am not aware of any competitive carrier in the business market who operates using all or mostly all resold ILEC products. That is because resale margins alone are insufficient to maintain a competitive business. I am also not aware of any competitive carrier successfully using resale to serve the residential market; however, my expertise and knowledge primarily pertains to the business market.
7. Without the leverage provided by the alternative of using the combination of the Section 251 loop (including 64kbps) and switching and shared transport required by Section 271, BOCs might cease offering wholesale voice commercial agreements altogether. Alternatively, BOCs could refuse to renew existing wholesale voice commercial agreements or they could impose enormous price increases thereby, effectively driving competitors, such as Granite, out of business.
8. Therefore, I conclude that retaining the regulatory backstop provided by Section 271 and the 64 kbps requirement where copper loops are retired is essential to Granite's continuing as a strong competitive option for customers.

¹ Letter from Thomas Jones, Counsel, Granite Telecommunications, LLC, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 13-5 et al., at Attach. (filed June 3, 2015).

I declare under penalty of perjury that the foregoing is true and correct.

A handwritten signature in blue ink, appearing to read "Jorge DeJesus", is written over a horizontal line.

Jorge DeJesus
Vice President of Financial Planning Analysis
Granite Telecommunications, LLC

Executed on: October 23, 2015
Quincy, Massachusetts